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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/677,401	09/29/2000	K. Jon Kern	5125.02	3108

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EXAMINER

NGUYEN, TAN D

ART UNIT PAPER NUMBER

3629

DATE MAILED: 07/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/677,401

Applicant(s)

KERN ET AL.

Examiner

Tan Dean D. Nguyen

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[Signature]

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 April 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 8-89 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 8-89 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Response to Amendment

The amendment filed 4/5/04 has been entered.

Declaration 37C.F.R. 1.131

The Declaration 1.131 has been reviewed.

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. **Claims 8-29, 32-46, 47-53, 54, 71-89 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503 in view of SHURLING et al (US Patent 6,009,415) alone or further in view of Article 12/1999.**

As for Independent claims 8, 47, 54, 71, WO 99/60503 discloses a method of accumulating and redeeming loyalty points comprising the steps of: a) establishing a site (web site) on a global computer network, b) recognizing at least a certain users of the site, c) directing the user to a proprietor, d) enabling accumulation of loyalty points by the user based upon interaction with the proprietor, e) monitoring the interaction by the users from the proprietor, f) tracking the accumulated loyalty points, and g) permitting selective redemption of the accumulated loyalty points into desired products or services (page 1, page 2, page 3, page 9, lines 10-15, page 10, lines 9-29, page 11, lines 1-27, page 17, lines 4-10). As for the provision of additional registration

information, this is fairly taught in WO 99/60503 when the user logs on the site or would have been obvious to do so to increase security if desired.

WO 99/60503 teaches the claimed invention except for 1) using the merchant as the proprietor and the transaction is a purchase from the merchant and 2) step (g).

SHURLING et al is cited to teach well known practice of redeeming or exchanging royalty points by rewarding customer for building relationship (financial transaction) with a merchant (banker or financial service institution) using incentive program by tracking customer volume of purchases in store or shop and awarding or redeeming of loyalty points by converting/exchanging them into actual customer real financial rewards or financial values such as financial product or service, i.e. customer loan or bank service fee on the customer, by either reducing loan rate or bank service fee, or increasing deposit account interest to the customer account, etc. (see col. 1, lines 30-65 (or 1:30-65), 2:10-15, 5: 1-5, 5:15-25, 9:15-20). SHURLING et al fairly teaches step (g) above except for the real financial value being repaying the customer's loan obligation or balance. However, the use of other well known remaining variable in a customer loan, beside reducing loan rate, such as paying the obligation or balance would have been obvious as mere using other well known alternative to reduce the customer loan obligation which is normally a function of rate, amount and the frequency of payment.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify customer incentive program of WO 99/60503 by replacing the proprietor and its transaction with the user with well known practice of

rewarding customer for making a purchase from a merchant as taught by SHURLING et al above. It would have also been obvious to modify the redeeming of the loyalty points by exchanging for financial value by paying the loan obligation as taught by SHURLING et al as indicated above. Also, as for the provision of additional registration information when the user logs on the site in WO 99/60503, SHURLING et al discloses the use of additional customer information above to increase security level of the customer transaction, therefore it would have been obvious to modify step (b) of WO 99/60503 by providing additional registration information as mentioned by SHURLING et al to increase security of the transaction if desired.

Article 12/1999 is cited to show it's well known to put bank on Internet and having its own web site whereby customer can access the bank products and obtaining loyalty points and redeeming points for desired products and services (see abstract). It would have been obvious to modify WO 99/60503 by substituting proprietor with bank as taught by SHURLING et al and further in view of Article 12/1999 whereby the bank has its own website and can be accessed by customer for collecting and redeeming loyalty points.

As for dep. claim 9 (part of 8), the concept of tracking automatically is well known to improve efficiency and is taught on 8:59 or Fig. 4, step 110 of SHURLING et al.

As for dep. claims 10-11 (part of 8), these are well known step and are shown on the table in Fig. 4 of WO 99/60503.

As for dep. claim 12 (part of 8), this is fairly taught on WO 99/60503 page 12, lines 20-25. The selection of the type of merchant, i.e., textbook, would have been

obvious in view of the general teaching of any type of merchant or business as taught in WO 99/60503.

As for dep. claims 13-17 (part of 8), the various steps for login and verification steps are well known or would have been obvious and are fairly discussed by WO 99/60503 on Fig. 4 and pages 13-15.

As for dep. claims 18-28 (part of 8), the various steps for filling an order, creating transaction records, percent commission, loan service provider, determining of loyalty points, etc., are fairly taught in SHURLING et al on Tables A, B, C as shown on cols. 1, 2, 8, 9, and 10.

As for dep. claims 29, 32 (part of 8), the supplying of additional registration information to further verify the user or allowing the user to access the information due to loss of personal information is well known and would have been obvious to do so in view of the teaching on Fig. 4 and pages 13, 14, and 15 of WO 99/60503 and SHURLING et al col. 4, lines 25-30 wherein age, social security number, address, and other relevant information are used.

As for dep. claims 33-35 (part of 8), the limitations of the relationship between customer's loyalty points and merchant's sale price or commission vary with each circumstance and/or merchant's profit/cost structure and are considered as optimizing operating conditions or result effective parameters/variables and the optimizing of result effective variables is considered as **routine experimentation** for different scenarios or programs to determine optimum or economically feasible loyalty point redeeming or

exchanging conditions and would have been obvious to the skilled artisan, absent evidence of unexpected results. In re Aller, 105 USPQ 233.

As for dep. claim 36 (part of 8), this is taught in WO 99/60503 on Fig. 3, or page 12, lines 10-20 and 13, lines 5-20 whereby a hyperlink can connect the user to a proprietor through a desired website or page.

As for dep. claims 37, 44-46 (part of 8), the selection of a predetermined number of stores or a shopping mall or other type of merchants would have been obvious as mere duplication of a desired store for desired purpose in view of the general teaching of sport store on Fig. 6 of WO 99/60503 or grocery store or banks on col. 2 of SHURLING et al.

As for dep. claims 38-41 (part of 8), they are rejected for the same reasons set forth in claims 33-35 above.

As for dep. claims 42-43 (part of 8), these are taught in WO 99/60503 page 12, lines 20-25.

As for dep. claim 48 (part of 47), this is rejected in combination of WO 99/60503/SHURLING et al wherein the bank substitutes the proprietor.

As for dep. claim 49 (part of 47), these known variables are inherently included in the loan of SHURLING et al as shown on col. 5 and Tables A and B.

As for dep. claim 50 (part of 47), this is shown on cols. 10 and 11.

As for dep. claims 51, 53 (part of 47), the selection of the ratio of loyalty point to loan varies from bank to bank depends on the profit/cost structure and would have been obvious to a skilled artisan.

As for dep. claim 52 (part of 47), the selection of a 2nd loan service for the same purpose as in the 1st loan service would have been obvious as mere duplicate selection.

As for dep. claims 72-83 (part of 71), the provision of a screen providing a plurality of hyperlinks representing site contents are fairly discussed and shown on WO 99/60503 pages 12-15, Figs. 2-5. Moreover, the selection of various hyperlinkages scenarios are considered as routine experimentations varying for each specific application and would have been obvious.

As for dep. claim 84 (part of 71), this is rejected over WO 99/60503 /SHURLING et al or further in view of Article 11/1999.

As for dep. claims 85-87, 89 (part of 71), they are rejected for the same reasons set forth in claims 10-11 above.

As for dep. claim 88 (part of 71), Fig. 4 of WO 99/60503 discloses the recording of user's Email wherein transmitting of message to the user can be carried out as shown on Fig. 6.

3. Dependent claims 30, 31 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503 in view of SHURLING et al as applied to claims 8-29, 32-46 above, and further in view of ARTICLE 4/1993 (All Nippon ... Frequent Flyers).

As for dep. claims 30, 31, in a similar method for redeeming loyalty points (bonus mileage credits), ARTICLE 4/1993 fairly discloses various options for redeeming points comprising a transfer from one user to another (2nd user) bonus mileage credits (or free ticket) to inherently allow the 2nd user to make effective use of the redeeming points as

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desired by the 1st user (see abstract). It would have been obvious to modify the process of WO 99/60503/SHURLING et al by transferring the selectively redeemed loyalty points from the 1st user to a 2nd user as taught by ARTICLE 4/1993 as ways to consume the bonus or loyalty points as desired by the 1st user.

4. Dependent claims 55-62 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503/SHURLING et al as applied to claim 54 above, and further in view of WONG et al (US Patent 6,119,933).

As for dep. claim 55 (part of 54), the teachings of WO 99/60503 in view of SHURLING et al is cited above. In a similar method for redeeming loyalty points, WONG et al displaying information about the accumulated loyalty points to the user by categorizing the points with several status such as "new", "pending", "earned", etc, and displaying the points for each status (see col. 5, lines 45-60). It would have been obvious to modify the redeeming of loyalty points of WO 99/60503/SHURLING et al by categorizing the points according the status and displaying the points for each status as taught by WONG et al to inherently allow accurate monitoring and using of loyalty points program.

As for dep. claims 56-62 (part of 54), the various well known limitations with respect to loyalty points monitoring program such as waiting period, displaying of points, redeeming strategy, minimum point scale, etc., are fairly discussed in WONG et al as shown on pages 5-6.

Note: WONG et al also discloses the various steps of updating profiles and adding member and member transactions as shown on cols. 4-5.

5. **Claims 63-64, 65-70 are rejected under 35 U.S.C. 103(a) as being unpatentable over WO 99/60503/SHURLING et al/WONG et al as applied to claims 55-62 above, and further in view of ARTICLE 4/1993.**

As for claims 63, 65, the teachings of WO 99/60503 in view of SHURLING et al/WONG et al is cited above. The teaching of ARTICLE 4/1993 is cited above. It would have been obvious to modify the process of WO 99/60503/SHURLING et al/WONG et al by transferring the selectively redeemed loyalty points from the 1st user to a 2nd user as taught by ARTICLE 4/1993 so the 2nd user can use the loyalty points if desired by the 1st user.

As for dep. claim 64 (part of 54), the number of transfer point is considered routine experimentation varying with each business model and would have been obvious.

As for dep. claim 66 (part of 65), this is taught on WONG et al on cols. 4, 5, 6.

As for dep. claims 67-70 (part of 65), these are taught on col. 5, lines 45-60.

Response to Arguments

6. Applicant's arguments filed 4/5/2004 have been fully considered but they are not persuasive.

7. Applicant's arguments, see Declaration, filed 4/5/2004, with respect to the rejections of dependent claims 7, 30-31 over WO 99/60503 in view of SHURLING et al and further in view of CHIEN et al have been fully considered and are persuasive.

Claim 7 has been canceled and the rejections of the remaining claims over CHIEN et al has been withdrawn.

Conclusion

8. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

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9. Telephone inquiries regarding the status of applications or other general questions, by persons entitled to the information, should be directed to the group clerical personnel and not to the examiner. As the official records and applications are located in the clerical section of the examining Tech Center, the clerical personnel can readily provide status information without contacting the examiner. See MPEP 203.08. The Tech Center clerical receptionist number is (703) 308-1113.

In receiving an Office Action, it becomes apparent that certain documents are missing, e. g. copies of references, Forms PTO 1449, PTO-892, etc., requests for copies should be directed to Tech Center 3600 Customer Service at (703) 306-5771, or e-mail CustomerService3600@uspto.gov.

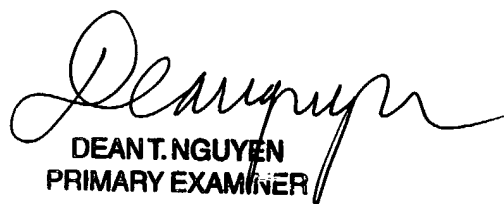
Any inquiry concerning the merits of the examination of the application should be directed to Dean Tan Nguyen at telephone number (703) 308-2053. My work schedule is normally Monday through Friday from 7:00 am through 4:30 pm.

Should I be unavailable during my normal working hours, my supervisor John Weiss may be reached at (703) 308-2702. The FAX phone numbers for formal communications concerning this application are (703) 305-7687. Informal communications may be made, following a telephone call to the examiner, by an informal FAX number to be given.

Other possibly helpful telephone numbers are:

Allowed Files & Publication	(703) 305-8322
Assignment Branch	(703) 308-9287
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Information Help Line	1-800-786-9199

dtn


DEAN T. NGUYEN
PRIMARY EXAMINER